## Online Product Ratings in Context—How Contextual Rating Information Affects Consumers' Product Beliefs and Preferences

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## **Abstract**

Previous research established a substantial effect of online product ratings on sales. However, consumers do not view ratings in isolation but make decisions in a rating context composed of multiple options from similar or different categories and brands. While there is some research on trade-offs consumers make when comparing two products, we know little about infor-mation integration in such broader contexts. Hence, this paper investigates how and when contextual rating information influences consumer behavior. Three studies show that consum-ers form beliefs about a focal product by integrating their prior and contextual rating infor-mation with its current rating and thereby pay attention to small sample sizes. While positive contextual rating information from products of the same brand always enhances product be-liefs, its effect on product preference depends on context composition. It reduces product preference but increases it when also competitor products from other brands are included in the rating context.

**Keywords:** Online Product Ratings; Choice in Context; Information Integration

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